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November 30, 2022

VIA ECF

Honorable Marcia M. Henry
United States District Court
Eastern District of New York
225 Cadman Place East, Rm. 504N
Brooklyn, New York 11201

Re: ***Gabor Fazekas, et al. v. Zen Restoration, Inc., et al.***
Docket Number: 20 Civ. 01587 (RJD) (MMH)

Dear Judge Henry:

This firm represents Plaintiffs in the above-referenced employment action. Pursuant to this Court's Order, dated November 17, 2022, directing Plaintiffs to file a status report by December 1, 2022, we write now to apprise the Court of the status of Defendant Zen Restoration, Inc.'s ("Zen") Chapter 11 Bankruptcy proceeding.

By way of background, on April 20, 2022, Plaintiffs advised this Court of their intent to file a motion for default judgment pursuant to Fed. R. Civ. P. 55(a) (Dkt. No. 18). On June 13, 2022, Defendant Zen's Bankruptcy counsel advised this Court of Zen's pending Chapter 11 case (Dkt. No. 19). By Order dated July 11, 2022, this Court granted Plaintiffs' request to enter a stay on this action pending the resolution of the Bankruptcy proceedings and denied Plaintiffs' motion for leave to file a default judgment without prejudice (Dkt. No. 20).

On April 19, 2022, Defendant Zen filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of New York.¹ The Bankruptcy Court has since extended the exclusivity period for filing a Chapter 11 plan and the deadline to file proofs of claim. Specifically, on

¹ Zen Restoration, Inc., Case No.: 1-22-40809 (NHL) (E.D.N.Y. 2022) See Exhibit A, Docket Report.

September 23, 2022, the Court extended the exclusive period wherein Zen may: (i) file a plan of reorganization until January 20, 2023; and (ii) solicit acceptances of its plan of reorganization until March 20, 2023 (Bankr. Dkt. No. 49). The Court also extended the deadline for filing proofs of claim to December 22, 2022 (Bankr. Dkt. No. 51). Pursuant to this deadline, we are currently preparing a proof of claim and supporting documentation for the unpaid wages claims of thirty-five Plaintiffs.

Most recently, on November 15, 2022 and November 16, 2022, secured creditor Humboldt Industrial, LLC and party-in-interest Green Point Mixed Use, LLC filed separate motions pursuant to 11 U.S.C. §§ 362 (d)(1) and (2) and Rule 4001(a)(1) of the Federal Rules of Bankruptcy Procedure for relief from the automatic stay which would permit said creditors to pursue their rights under applicable state law with respect to foreclosure actions they commenced in Kings County Supreme Court (Dkt. Nos. 58-59). These motions are returnable on December 13, 2022. Further, the Court ordered a status hearing to be held on January 17, 2023.

Pursuant to this Court's Order, dated November 17, 2022, we will provide an update on the status of the Bankruptcy Court proceedings in 60 days. We thank the Court for its attention to this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Diego O. Barros', is written over a horizontal line.

Diego O. Barros, Esq.